GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:281
ANSWERED ON:10.08.2001
FDI INFLOW
AJAY CHAKRABORTY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) The volume of FDI approved and actual Foreign Direct Investment inflow during the last three years;

(b) The volume of Foreign Institutional Investment (FII) during the above period;

(c) Whether the inflow of FDI and FII are on expected lines; and

(d) If not, the details and reasons therefor ?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (MURASOLI MARAN)

(a) to (d) :- A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.281 FOR 10.8.2001 REGARDING FDI INFLOW

(a) : The details of FDI approvals and inflows during the last three years are as follows:

(Rupees in crore)

YEAR(Jan. to Dec.)	APPROVALS	INFLOWS
1998	30,813.50	13,339.84
1999	28,366.53	16,867.79
2000	37,039.45	19,341.74

(b) : The details of net investment by Foreign Institutional Investors(FIIs) in equity shares in Indian companies through primary and secondary market acquisition during the last three years are as follows :

(Rupees in crore)

YEAR(Jan. to Dec.)	Net Investment
1998	-930.96
1999	6,422.76
2000	6,202.51

(c) & (d) : The inflows of foreign investment which includes foreign direct investment and foreign portfolio investment, are dependent

upon various factors, such as domestic economic conditions including capital markets, policy regime governing foreign investment, world economic trends and strategies of global investors. The inflow to approval ratio in respect of FDI has shown consistent improvement from 1992 onwards, increasing from 17.37% in 1992 to 56.83% in 2001(upto June).

With regard to FII investment, there has been a positive trend after the negative growth in 1998.